

the Hamdan decision, the Defense Department has finally acknowledged that Common Article 3 of the Geneva Conventions applies to all detainees in U.S. military custody. If this is true, it is a belated but necessary and welcome step in the right direction.

Our troops at Guantanamo are doing their best, but they have a heavy burden to carry. Every day they wake up, put on their uniforms and face the challenges of performing a very difficult job. Now they face the added burden of attempting to rehabilitate the image of Guantanamo.

Our young soldiers and sailors should not have to carry that burden alone. It is long past time for Congress to help. Congress must ask: Have we given our troops an impossible task?

I have come to the difficult conclusion that it is time to close Guantanamo. We should immediately begin phasing out the detention and interrogation operations at Guantanamo Bay, with the goal of closing the Guantanamo detention facilities before the end of this calendar year. Even President Bush has acknowledged that Guantanamo should be closed. Despite the valiant efforts of our troops, Guantanamo has become a powerful, negative symbol around the world for the failures of this administration.

As Admiral Harris told me yesterday, many of the detainees can be charged, transferred to other countries, or released. In addition, there may be a continuing need to detain a small number of individuals who cannot be charged with a crime, but who still pose a danger to our country. I do not believe that we should release anyone who is a danger to our country or a danger to our troops. It is right that we hold them, if they are such a danger, in the appropriate legal fashion.

Of course, closing Guantanamo is just the beginning of this process. There are still many serious flaws in the administration's interrogation and detention policies. An example is the signing statement the President added to the McCain torture amendment last year, which still raises questions about what the intent of the administration is when it comes to torture. The Senate spoke 90 to 9 in a bipartisan fashion. I was proud to be a cosponsor of the McCain amendment, which said that we will not engage in torture, cruel, inhuman or degrading treatment of prisoners. That should be a clear standard for the United States to follow unequivocally.

The Supreme Court, 2 weeks ago, made it clear: We are a Nation of laws, even during a war. No person in America is above the law, including the President.

It is time for Congress to make it clear to the President that he is bound by the treaties we ratify and the laws we pass, whether it is the Geneva Conventions, the Uniform Code of Military Justice or the McCain torture amendment.

It is time for us to fulfill our constitutional responsibilities. Our brave

men and women in uniform are doing their job. Now it is time for Congress to do its job.

Mr. President, this trip yesterday was an important trip for me, personally, to see Guantanamo firsthand and to meet the men and women who are doing such a great job for our country. My heart goes out to them because I know the sacrifice they are making to serve our Nation. My heart goes out to them as well because, for the last several years, they have been given conflicting messages and conflicting policies from this administration. These men and women in uniform are trained to follow the rule of law and the Geneva Conventions and the Uniform Code of Military Justice, but the conflicting policies of this administration on torture and detention have created an atmosphere which is unfair to the troops and inconsistent with the values of America.

It is clear now that we must close Guantanamo. It has become a negative symbol of the United States around the world. We must transfer those prisoners to new facilities to signal to the world that the decision of the Supreme Court has charted a new course and a new direction for America, that we have received this message and we must move forward, and we must make it clear to the world that despite the threat of terrorism, the United States will still follow the rule of law, we will follow the Geneva Conventions, we will follow the Uniform Code of Military Justice, and we will follow the bipartisan McCain torture amendment. We must make it clear that we will keep America safe, and we will also protect our values in the process.

Mr. President, I yield the floor.

The ACTING PRESIDENT Pro Tempore. The minority's time has expired.

The Senator from Colorado is recognized.

STATE OF THE ECONOMY

Mr. ALLARD. Mr. President, I have in my hand a report that has been released about 12 or so minutes ago. It is a report on the fiscal year 2007 mid-session review. It is on the budget of the U.S. Government, put out by the Office of Management and Budget. It says pretty much what the Congressional Budget Office has been telling us for the last 30 days: That our tax cuts are working, the economy is strong, revenues are up, and deficits are down. Let me talk a little bit about the tax cuts and how they are bringing in additional revenues.

The Republican progrowth tax policies enacted in 2003 have triggered 2½ years of economic growth, unprecedented tax revenue increases and job creation. Since the 2003 tax cuts, America has increased the size of its entire economy by 20 percent or \$2.2 trillion.

A remarkable observation was made by CNBC's Larry Kudlow over the weekend, which I think helps to put this in perspective:

This \$2.2 trillion expansion is roughly the same size as the total Chinese economy, and much larger than the total economic size of nations like India, Mexico, Ireland, and Belgium.

Pursuant to the extraordinary economic growth spawned by the 2003 tax cuts, Federal revenues have rebounded sharply following several years of decline. I would attribute most of this to the fact that we targeted reducing taxes on those industries that would create more jobs and create more revenue for the Government, particularly the small business sector. I think one of the greatest incentives for the economy to grow has been the expensing provisions that we directed toward small business which allowed the small business to write off a greater percent of their operations within 1 year. It was a huge tax benefit to small business which has resulted in a lot of increase in the number of jobs and a lot more productivity and innovation from the small business sector. It is the small business sector that drives the major portion of our economy.

Revenues grew by a dramatic 14.5 percent last year and are forecast this year to grow by \$245 billion or 11.4 percent.

Last week, the Congressional Budget Office reported corporate tax receipts for the first three quarters of this fiscal year hit \$250 billion, nearly 26 percent higher than the same time last year. Corporate tax receipts, the taxes that corporations are paying, increased nearly 26 percent higher than the same time last year. The deficit is down. The expanding economy is good news for the budget, specifically the budget deficit.

This morning, the White House Office of Management and Budget released its annual midyear budget update. This year's budget deficit is now forecast to be \$296 billion, 30 percent below the administration's February forecast of \$423 billion, or 3.2 percent of gross domestic product. This deficit represents 2.3 percent of our economy, equal to the historical average. Progrowth policies, combined with ongoing efforts to restrain spending, continue to reduce the deficit and have put us on track to cut the deficit in half in 2008, a year ahead of the President's goal.

Jobs are growing. Last Friday, the Department of Labor reported that job growth continued for the 34th consecutive month in June. The economy has created about 1.85 million jobs over the past 12 months and more than 5.4 million since August of 2003. Similarly, the unemployment rate dropped from its peak of 6.3 percent in June of 2003 to 4.6 percent today. To put that in perspective domestically, at 4.6 percent, today's unemployment rate is lower than the average of the 1960s, 1970s, 1980s, and 1990s.

Let me repeat: Today's unemployment rate is lower than the average of the last four decades.

To put that in perspective globally, since 2004, the United States has created nearly twice the number of jobs as

the rest of the G7 countries combined. This job growth is not isolated to just one part of the country. Employment increased in 48 States over the past 12 months, ending in May.

Not only is the number of jobs on the rise, so, too, are wages. Hourly compensation has risen 3.9 percent over the past year, while average weekly earnings have grown to 4.5 percent.

The economy is strong, strong and poised to stay strong. The gross domestic product, a broad measure of the economy, grew at an annual rate of 5.6 percent for the first quarter of this year. This is the fastest growth in 2½ years and even stronger than previous estimates. It follows economic growth of 3.5 percent in 2005, the fastest rate of any major industrialized nation.

This remarkable growth has come on the heels of the burst of the technology bubble, the devastating attacks of 9/11, corporate scandals and destructive natural disasters. Similar to the American people, the economy has weathered the storm. The economy has done so due, in large part, to the Republican tax cuts and progrowth policies instituted since 2001.

On restraining spending, the question becomes, What can we do to continue these positive trends? I believe the answer includes keeping taxes low and restraining spending. We need to work harder in holding down our excessive spending. With respect to the latter, I remain gravely concerned about the runaway growth of mandatory spending. For example, 20 years ago entitlements, or mandatory spending, comprised 45 percent of the budget. Today they comprise nearly 60 percent of our \$2.8 trillion budget. If left unchecked, spending on just three entitlement programs—Medicaid, Medicare and Social Security—will consume 20 percent of our gross domestic product in just 30 years. To put that in perspective, the entire Government consumes 20 percent of gross domestic product today. Clearly, the growth is unsustainable and threatens our economic well-being, as well as that of our children and grandchildren.

I commend the Budget Committee chairman, Chairman GREGG, for his leadership on this issue and for introducing, along with myself and 24 other cosponsors, the Stop Overspending Act of 2006. This bill proposes tough measures to force Congress and the administration to adhere to a disciplined budget process.

The bill includes a line-item veto, or expedited rescission process, to allow the President to identify items of wasteful spending and send them to Congress for an up-or-down vote. It creates a new mechanism to essentially balance the budget by 2012. It reinstates discretionary spending caps in law, and it creates a bipartisan commission to identify and eliminate agency duplication and programs that have outlived their usefulness, as well as a commission to ensure the solvency of entitlement programs. It ensures a

budgeting process to allow Congress to have more oversight, and it addresses the shadow budget that has developed due to emergency spending by building reasonable assumptions of emergency spending into the discretionary caps.

In conclusion, the economy is strong, progrowth economic policies have fueled robust expansion which has, in turn, increased revenues at a rapid pace. As a result, the deficit is on target to be cut in half by 2008, a year earlier than the President's schedule. To continue these positive economic trends, we need to keep taxes low and further restrain spending.

I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEMINT. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. AL-LARD). Without objection, it is so ordered.

GOP TAX POLICIES

Mr. DEMINT. Mr. President, I come to the floor amazed that our Democratic colleagues still claim that tax cuts are to blame for the budget deficit. In criticizing the President, they fail to mention that the previous administration handed this President a recession, corporate scandals, and a worldwide terror network that had gone unchallenged for 8 years. Now, similar to President Clinton, the Democrats say we need to raise taxes.

This is the same, tired argument they have used since the 1980s. Ronald Reagan answered them ably in his own humorous way when he said doing away with tax cuts in order to balance the budget was "like trying to pull a game out in the fourth quarter by punting on third down."

Now the new midsession review is answering these tax cut critics again. When we cut taxes, we invest in economic growth, which not only creates jobs but brings in new tax receipts, and that helps balance the budget. It also puts more money in the pockets of the American people.

Last year, we were happily surprised to see that the budget deficit for 2005 came in at \$108 billion less than anticipated due to the unexpected rise in tax receipts stemming from economic growth. This year, we see the same trend. The midsession review states that tax receipts have produced another \$127 billion in new revenues. This is exactly the opposite of what Democrats claimed would happen when we passed the jobs and growth tax cut packages in 2001 and 2003. One of my Democratic colleagues from Michigan said at the time that this bill would "create fewer jobs than what is needed" and "dramatically increase the deficit and national debt. . . ."

Another Democratic colleague from Wisconsin justified his vote against the

jobs and growth package saying: "I am still looking for the part of the package that will result in jobs and economic growth."

Senators, look no further. In addition to the \$235 billion total in new revenues, we have created 5.4 million jobs since August of 2003. And the Democrats still say that we can't afford tax cuts.

Republicans and the American people know better. A shrinking deficit and more Americans at work are proving we can't afford to raise taxes. I encourage my Democratic colleagues to remember what President John F. Kennedy—John F. Kennedy, one of their own—said, that "the soundest way to raise revenues in the long run is to cut tax rates now."

President Kennedy's words still ring true today. Cutting taxes allows working American families to keep more of their hard-earned dollars and encourages businesses to be competitive and invest in future growth.

Both Presidents Kennedy and Reagan understood it is business, not Government, that creates jobs and prosperity. This is why Republicans will continue to fight to stop future Democratic tax increases, to make Republican tax relief permanent, and push for comprehensive tax reform.

I am pleased that this midsession review offers yet more proof that the Republican's agenda to secure American jobs and balance the budget is working. We are making progress. It is third down and time for us to run the ball for a touchdown—not punt it away.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS ACT, 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 5441, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5441) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, we are now back on the Homeland Security bill, which is an important piece of legislation as it addresses the issues of how we protect our Nation and how we deal with border security and threats involving potential weapons of mass destruction. It also addresses the issue of the management of the Department of Homeland Security, especially in areas where there have been issues, primarily—well, almost every function of